

IRS News Release

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Free File Tops Last Year's Total

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WASHINGTON —The Internal Revenue Service announced today that more people have used Free File this year than for all of last year. As of March 16, 3.55 million tax returns have gone through Free File, up 44 percent compared to the same time last year and exceeding last year's total of 3.51 million.

"The Free File program has been a success," said IRS Commissioner Mark W. Everson. "We've already received more Free File returns this year than we did for all of last year. We continue to urge people to file electronically."

The IRS and a consortium of tax software manufacturers offer free services through Free File, which is available at IRS.gov. Free File is in its third year.

Electronic filing continues to show a strong increase, with e-filed tax returns running almost 7 percent ahead of last year. The biggest increase is being seen in home computer use, which is up almost 15 percent.

People e-filed 45.9 million returns through March 18 – up almost 3 million over last year's numbers.

Out of 67 million returns filed as of March 18, 68 percent of them were e-filed – up from 63 percent the previous year. While this percentage will decline as April 15 approaches, the IRS expects for the first time to have more than half of all individual tax returns filed electronically.

Record numbers of individuals are choosing to have their refunds directly deposited into their bank accounts. So far this year, 66 percent of all deposits are through direct deposit – up from 62 percent over the same period last year.

Taxpayers who e-file and choose direct deposit get their refunds in half the time of those who file a paper return. Even paper filers, however, can get the benefit of direct deposit by choosing that option on their tax forms; they will get their refunds a week sooner than waiting for a paper check.

. 2005 FILING SEASON STATISTICS**Cumulative through the week ending 3/19/04 and 3/18/05**

	<u>2004</u>	<u>2005</u>	<u>% Change</u>
Individual Income Tax Returns			
Total Receipts	68,183,000	67,377,000	-1.2
Total Processed	63,221,000	63,455,000	0.4
E-filing Receipts:			
TOTAL	43,049,000	45,936,000	6.7
TeleFile (phone)	2,972,000	2,543,000	-14.4
Computer	40,077,000	43,393,000	8.3
Tax Professionals	30,197,000	32,064,000	6.2
Self-prepared	9,880,000	11,329,000	14.7
Tax Year 2004 Refunds Certified:			
Number	57,516,000	57,158,000	-0.6
Amount of principal	\$122.373 billion	\$129.116 billion	5.5
Average refund	\$2,128	\$2,259	6.2
Direct Deposit Refunds:			
Number	35,918,000	37,949,000	5.7
Amount	\$89.001 billion	\$99.208 billion	11.5
Average	\$2,478	\$2,614	5.5